

THE CALIFORNIA DEBT AND  
INVESTMENT ADVISORY COMMISSION

*Presents*

***LIVING WITH AN ISSUE:  
On-Going Debt Administration  
Seminar***

April 19-20, 2007  
Renaissance Long Beach Hotel  
111 East Ocean Blvd.  
Long Beach, California

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400  
Sacramento, CA 95814

FIRST CLASS

On-Going Debt Administration Seminar

### **ABOUT THE PROGRAM**

This one and one half day debt management seminar is the third course in a series of debt administration seminars and is designed to provide issuers with the information and the steps necessary to develop a systematic on-going debt management program. The seminar focuses primarily on the administration of general obligation bonds. However, it will highlight important considerations for bonded districts, variable rate, debt issuance and swap administration. In addition, other important matters related to post bond issuance are covered, such as arbitrage rebate, refundings, and continuing disclosure. The program is intended to provide issuers with the concepts and tools necessary to take ownership of their debt through the life of a bond by "Living With An Issue."

### **WHO SHOULD ATTEND**

This seminar is intended for public agency officials and their staff interested in or involved with the issuance of municipal debt. Representatives of cities, counties, school districts, special districts, redevelopment agencies, and elected officials are especially encouraged to attend. Participants should have some experience in public finance prior to attending this seminar.

### **ABOUT CDIAC**

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on public debt issuance and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, conducts a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical public finance issues.

### **GENERAL INFORMATION**

Registration is limited to public agency officials and their staff. No walk-in registrations will be accepted. Substitution of officials or staff from the same entity is permitted. No refunds will be honored for cancelled registrations after the seminar registration deadline of March 22, 2007.

### **LODGING**

Hotel reservations should be made directly with the Renaissance Long Beach Hotel located at 111 East Ocean Boulevard, Long Beach. Call early for reservations. A special room rate of \$110 is available to seminar participants. When making reservations, please request the group rate for the **California Debt and Investment Advisory Commission**. Once CDIAC's room block is filled, the hotel will not honor the contracted rate.

CDIAC complies with the Americans with Disabilities Act (ADA).

CDIAC is an MCLE approved provider. CDIAC's educational programs are also accepted by many certification entities as "certifiable."

## **LIVING WITH AN ISSUE: On-Going Debt Administration Seminar April 19-20, 2007 REGISTRATION FORM**

To register, go online at [www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac) or complete this form and return it to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of the registration fee must be enclosed.** No refunds will be honored after the **seminar** registration deadline of **March 22, 2007**. Late registrations will be accepted only if space is available. *You will receive a confirmation notice once a registration form and payment are received by CDIAC.*

Name \_\_\_\_\_

Title \_\_\_\_\_

Agency \_\_\_\_\_

Street \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Telephone \_\_\_\_\_ FAX \_\_\_\_\_

Email: \_\_\_\_\_

☐ Check here if you require a vegetarian meal.

**Visit our website at  
[www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)  
to register on-line and pay with VISA or MasterCard.**

**My interests are in :** ☐ Public Debt Issuance

(*please check one*) ☐ Public Investments

☐ Debt and Investments

☐ **Registering for just the seminar \$175.00**

☐ **Please also include the updated *California Debt Issuance Primer*\*  
for an additional \$25.00**

Enclosed is my check for a total of \$ \_\_\_\_\_

Make check(s) payable to:

**California Debt and Investment Advisory Commission**

Mail your registration with payment to:

Seminar Programs  
California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400  
Sacramento, CA 95814  
Phone: (916) 653-3269

\* The *California Debt Issuance Primer (Primer)* is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the *Primer* provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Please allow approximately 2 weeks from date of order for delivery.

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## ***LIVING WITH AN ISSUE:***

### ***On-Going Debt Administration Seminar***

**Renaissance Long Beach Hotel**

**April 19-20, 2007**

## ***AGENDA***

### **THURSDAY, APRIL 19th**

**8:00 AM**      **Registration and Distribution of Seminar Materials**  
Complimentary rolls and coffee

**8:30 AM**      **Seminar Welcome and Opening Remarks**  
*John Decker, Executive Director, California Debt and  
Investment Advisory Commission*

### **SESSION I**

**8:45 AM**      **The Roles and Responsibilities of the Trustee**  
This session details the roles and responsibilities of the trustee and how issuers go about recruiting one. The main focus of the session will be to describe the critical functions of a trustee, the services they provide, and the profile of an ideal trustee based on an issuer's needs.

*Esther Cervantes, Vice President Global Compliance, The  
Bank of New York Trust Company, N.A.*

### **SESSION II**

**9:30 AM**      **Issuer Roles and Responsibilities: Before the Closing**  
This session covers issues that finance officers need to address before the bond issue closes. Speakers will highlight items such as setting up pre-closing items, establishing accounts, determining reporting periods for project funds or construction and calculating taxes or assessments. Other special items related to land base financing will be discussed. Understanding these systems will help the issuer develop and manage the administration of the bonds for the life of the project.

### **SESSION IV**

**2:30 PM**      **Refundings**  
Refunding existing debt is an important debt management tool. It is commonly used to achieve debt service savings, remove or replace existing covenants, or restructure the stream of debt service payments. This session focuses on evaluating the costs and benefits of refunding existing debt issues. The speaker addresses reasons to consider a refunding; the difference between a current and advance refunding; legal issues, debt structures and cost features that should be evaluated when contemplating a refunding; and how to incorporate and evaluate present-value savings into a cost-benefit analysis.

*Gary Hall, Vice President, J.P. Morgan Securities Inc.*

**3:15 PM**      **Break**

### **SESSION V**

**3:30 PM**      **Introduction to Variable-Rate Financing**  
Variable-rate bonds are long-term securities with interest-rate features that make them behave like short-term securities. When issued prudently and managed carefully, variable-rate debt can also lower the cost of borrowing and provide a hedge against interest rate changes. In this session the speakers will address the opportunities and challenges of variable-rate bonds for the issuer and the investor. In addition, risks associated with utilizing variable-rate financing and how these risks can be minimized will be covered. Also, the speakers will discuss considerations for the appropriate use of variable-rate debt and structuring issues.

*Natalie Brill, Chief of Debt Management, City of Los Angeles  
Lisa Schieffelin, Vice President, JP Morgan Chase*

**5:00 PM**      **Reception for all Participants and Speakers**

**Moderator:**  
*John Deleray, Vice President, Wells Fargo Bank*

**Panel:**  
*Karen Brust, Finance Director, San Diego County Water Authority*  
*Dave Persselin, Debt Administrator, City of San Jose*  
*Tim Seufert, Managing Director, NBS Local Government Solutions*

**10:00 AM Break**

**10:15 AM Issuer Roles and Responsibilities: After The Sale**  
This session delves into the roles and responsibilities of the issuer after the bond issue is closed and for the next 20 to 30 years during which time the issuer is committed to managing the issuance. Speakers will go over a checklist of responsibilities such as accounting issues, debt service processing, compliance monitoring, investing bond proceeds, and other procedures and systems.

*Speaker Panel Continued*

**12:00 PM Lunch for all participants and speakers**

### SESSION III

**1:00 PM Arbitrage Rebate/Continuing Disclosure Reporting Compliance Monitoring**  
This session focuses on the current issues involving arbitrage rebate, continuing disclosure, and compliance monitoring. The speaker will discuss the “hot topics” involving arbitrage rebate and its present and future impacts on issuers such as “yield-burning” and “yield reduction.” In addition, the speaker will address continuing disclosure reporting and compliance monitoring.

*Anne Pelej, Vice President, Muni Financial*

**2:15 PM Break**

**FRIDAY, APRIL 20th**

### SESSION VI

**8:30 AM Introduction to Interest Rate Swaps**  
A panel will provide an in-depth discussion of when issuers might consider using interest rate swaps instead of refunding existing bonds. Panelists will help participants understand the critical decision factors involved in deciding whether or not to utilize an interest rate swap in the current interest rate environment and also will discuss risks/rewards, credit issues, and pricing factors.

**Moderator:**  
*Peter Shapiro, Managing Director, Swap Financial Group LLC*

**Panel:**  
*Kevin Kone, Assistant Deputy Airport Director - Capital Finance, San Francisco City and County Airport Commission*  
*Keith Norris, Manager of Treasury and Debt Management, Metropolitan Water District of Southern California*

**10:00 AM Break**

### SESSION VII

**10:15 AM Managing On-Going Responsibilities for Variable-Rate Financings and Interest Rate Swaps**  
This session highlights the on-going debt management responsibilities involved in maintaining variable-rate financings and swaps in the current interest rate environment. The speakers will cover concepts such as evaluating variable rates against indices, bank trading differentials, letter of credit expiration and renewal, swap credit risk, and market valuation of swaps.

**Moderator:**  
*Peter Shapiro, Managing Director, Swap Financial Group LLC*

**Panel:**  
*Natalie Brill, Chief of Debt Management, City of Los Angeles*  
*Keith Norris, Manager of Treasury and Debt Management, Metropolitan Water District of Southern California*  
*Lisa Schieffelin, Vice President, JP Morgan Chase*

**12:00 PM Closing of Seminar**